

Fact Sheet

AB 303 (Beall)

Hospital Seismic Retrofit

PROBLEM

In response to the Northridge earthquake, in 1994 stringent seismic standards were created for hospitals. Since that time, compliance has been slow and large numbers of hospitals appear likely to miss deadlines in 2013 and 2030.

In large part, this lack of compliance is the result of hospital construction costs have doubled since 2001, driven by a limited contractor base, limited labor pool, and large regulatory uncertainty for builders, inflation, and increased demand for construction services and supplies.

A 2007 study led by RAND analyst Charles Meade found that “almost half of California hospitals subject to the 2013 deadline will be noncompliant; indeed, many will face difficulty meeting the 2030 deadline as well,” amounting to more than 60 million square feet of building area.

As a result of the aforementioned factors, seismic vulnerability remains for much of the California hospital infrastructure.

THIS BILL

This bill allows specified county and University of California disproportionate share hospitals that contract with the California Medical Assistance Commission to serve Medi-Cal patients and specified private hospitals to use local funds in place of state funding to qualify for reimbursement from the federal Construction Renovation Reimbursement Program for new capital projects to meet state seismic safety deadlines for which plans have been submitted to the state after January, 2007 and before December 31, 2001.

SUMMARY

This bill is sponsored by the Santa Clara Board of Supervisors to allow public and private hospitals to access federal supplemental reimbursements for debt

service related to seismic retrofitting.

The financial burden of complying with the Act combined with the State’s inability to supply state funds to access federal moneys available for seismic safety construction requires this innovative approach to finance this construction.

There is no state cost in this bill!

STATUS/VOTES

Assembly Health Committee April 21, 2009

SUPPORT

Santa Clara Board of Supervisors
State Building and Construction Trades Council

OPPOSITION

None on file

Staff Contact: N. Kathleen Finnigan 916.319.2024